United Nations DP/CPO/KEN/1

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
7 May 2003

Original: English

Annual session 2003
6 – 20 June 2003, New York
Item 6 of the provisional agenda
Country programmes and related matters

Country programme outline for Kenya (2004-2008)

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03-35569 (E) 140503

I. Situation analysis

1. The second United Nations Common Country Assessment (CCA) for Kenya issued in 2002 (www.un-kenya.org) pointed to some alarming socio-economic trends. The number of poor in Kenya increased from 52 per cent in 1997 to 56 per cent of the population in 2002. The incidence of poverty was found to be higher for urban women (63 per cent) than for urban men (49 per cent). With only 12 per cent of arable land, the limits to subsistence farming were being reached.

2. After rising in the 1970s and 1980s, the Human Development Index has fallen since 1990. Average life expectancy dropped by four years from 1989 to 1999, to 54 years for men and 57 years for women, mainly due to HIV/AIDS. The private sector suffered badly from poor governance. Over the last six years, in particular, a worsening spiral of corruption and economic mismanagement decreased exports by one quarter, and most international aid was suspended.

3. The number of poor rose from almost 4 million in 1975 to over 15 million to date. Population growth decreased to 2.6 per cent per annum but gross domestic product growth is even lower, at only 1.2 per cent per annum (1999-2002). Kenya's high-income inequality means that the poor's share of income decreases more than average, and still more among women than men.

4. Nevertheless, there are also good signs. Human Immunodeficiency Virus/Acute Immune Deficiency Syndrome (HIV/AIDS) infection is estimated at 13.5 per cent, down from 15 per cent two years ago. A long history of successful agriculture exports now includes daily exports of flowers to the Netherlands and the United Kingdom by air.

5. Undoubtedly the best sign of all is Kenya's recent elections at the end of 2002, which led to a peaceful and democratic change of Government.

6. Kenya's new political dispensation is rapidly positioning itself to provide a solid new foundation to address pressing development challenges, including job creation, free primary education, and Kenya's longstanding corruption and accountability problems.

7. Restoration of rule of the law and of accountability for misdeeds has become a major push of the new Government, with far-reaching implications for change across governance institutions.

8. With subsistence agriculture and the informal sector (*jua kali*) nearing saturation, Kenya's future - and the future of its millions of un- and under-employed youth - depends on expanding the formal export sector. Kenya needs to make a more strenuous effort to access outside markets. The new Government has targeted agricultural exports and tourism as vehicles for job growth.

9. Kenya has adopted the goals of the major international conferences, including the Beijing Platform for Action, the United Nations Special Session on HIV/AIDS 2001, and the World Summit on Sustainable Development, and has a new gender and development policy.

10. However, most Millennium Development Goals will not be met in Kenya at the current pace of development. Extreme poverty might be made to fall somewhat by 2015, but not by half, to 28 per cent, and if trends continue as in the past decade, the poverty gap rate will double rather than be halved. Primary education, however, will reach 95 per cent, with as many girls enrolled as boys, especially as it was made free at the outset of 2003.

11. The new United Nations Development Assistance Framework (UNDAF) in Kenya was the culmination of exceptional consultations, which began with the CCA and poverty reduction strategy programme (PRSP) processes. The United Nations team consulted not only with the wider United Nations system, the new Government and other partners, but also with private sector and civil society representatives. The resulting framework focuses the United Nations system's contribution in Kenya on four areas of cooperation. It is on this foundation that the new UNDP programme for 2004-2008 has been designed.

II. Past cooperation and lessons learned

12. UNDP has spent $144 million in Kenya over the past 20 years, mostly promoting the informal sector, agriculture and rural development, and improved national financial planning and management. Smaller programming areas have included strengthening disaster response and preparedness, and mainstreaming gender in policies and programmes.

13. A mid-term review of the 1999-2003 country cooperation framework took place in 2002. In late

2002, UNDP Kenya also conducted a two-day review of lessons learned. The combined highlights and problems encountered follow below.

14. *In general*: For the UNDP programme as a whole, the transition to mainly National Execution has brought serious administrative challenges and slowdowns. The mid-term review found that "UNDP funds are not being optimally utilised by the Government". The ongoing UNDP programme also has too many actors: "The practice of spreading resources across a wide horizon of implementers should be halted....". The Government and UNDP alike are committed to eliminating the identified bottlenecks and adopting innovative new approaches where needed. The new programme plans to address these problems with more streamlined and focused implementation modalities.

15. *In environment and livelihoods*, UNDP gave major assistance to formulation and initial implementation of the new Environment Management Coordination Act, establishing the National Environment Management Authority, District Environment Committees, and the National Environment Council.

16. UNDP also greatly aided development of the new Forest Policy and Bill, National Desertification Action Plan, and establishment of: the Global UNDP Dry Lands Development Centre, Kenya National Cleaner Production Centre, and a National Tourism Eco-rating scheme (a first in Africa).

17. UNDP community initiatives trained farmer innovators to train others; farmer schools reached a total of 20,000; and more than 50,000 received credit and financial services.

18. Support to the *jua kali* (informal) sector resulted in the establishment of micro-credit and product improvement capacities. UNDP was instrumental in the development of a renewed policy framework for the growth of small and medium enterprises.

19. However, policy-makers' environmental awareness is slow to grow, and UNDP activities have not always been synergistic. The new country programme will scale up what has worked best.

20. *In governance*, a charter for social integration was developed for the new constitution, and considerable effort made to correct those passages that overlooked gender issues. An non-governmental organization (NGO) policy and a review of the Local Government Act were also developed. UNDP also very successfully built the capacity of several grassroots organisations.

21. UNDP contributed to the success of the recently completed elections, particularly with public information and awareness creation such as voter training, which ultimately made the success of the recently completed elections.

22. Parliament was improved with training and equipment, and the drafting of the new constitution greatly assisted. An anti-corruption coalition was built between civil society and government, with UNDP help, and another activity raised awareness in the judiciary and police force on women's rights.

23. However, some programmes were not consistent with UNDP/Government undertakings. Sequencing was sometimes reversed, for example revising an act before the policy was developed. Future governance programming will seek clearer relationships and better planning.

24. *In the disaster field* a national centre was created, and responsibility for disaster relief decentralised from provinces to communities. Key actors also received training on early warning and conflict prevention.

25. However, disaster prevention and mitigation was not part of the PRSP, and formulation of the National Disaster Policy was slow. The lack of a central department made disaster-related activities difficult to coordinate, with warning often more 'late' than 'early'. Future work will build on the new centre and improve early warning.

26. *In combating HIV/AIDS*, UNDP supported development of a legal framework and a more gender sensitive code of conduct for the workplace. UNDP also strengthened NGOs assisting those living with HIV/AIDS, and deployed United Nations Volunteers in every province to help implement the National Strategic Plan.

27. However, decentralisation of efforts to combat the disease has not fully extended to the constituency level - and parliamentarians need to become more committed. The UNDP project also had too many objectives.

III. Proposed programme

28. Governance is in essence the overall 'theme' for the new UNDP programme. While working on governance reforms - such as in anti-corruption efforts - the programme will also focus on the opportunities that improved governance can bring in other areas. For instance, *enforcement* is the key word in the environmental field, parliamentary *leadership* is the focus of UNDP planned efforts on HIV/AIDS, and *public/private partnership* is the UNDP focus for the economy.

29. The four UNDAF areas of cooperation are the structure for UNDP strategic areas of support for 2004-2008, presented in the Results and Resources Framework (annex). These areas of cooperation are inherently based on the full range of human rights that the United Nations system seeks to collectively promote and defend.

30. UNDP Kenya's programme has five thrusts that link into the four areas of UNDAF cooperation:

UNDAF area of cooperation 1: Promote good governance and rights.

UNDP: enhanced empowerment (accessible and transparent governance, rule of the law and anti corruption efforts, strengthened parliament, judiciary and decentralized civil service).

UNDAF area of cooperation 2: Contribute to the reduction of the incidence of, and mitigation of, the psycho-social and economic impact of the HIV/AIDS epidemic, malaria and tuberculosis.

UNDP: HIV/AIDS leadership (promoting the role of parliamentarians and other officials within their constituencies).

UNDAF area of cooperation 3: Contribute to the strengthening of national and local systems for emergency preparedness, prevention, response and mitigation.

UNDP: Crisis prevention/community security (from both natural and man-made disasters).

UNDAF area of cooperation 4: Contribute to sustainable livelihoods and environment.

UNDP: Expanded opportunities (promotion of a conducive environment for public/private partnerships for more market access, especially exports, by smaller producers).

UNDP: Sustained development (developing appropriate policies, technical and governance tools to improve sustainable management of energy, environment and natural resources particularly for the poor and for jobs).

UNDAF area of cooperation 1: Promote good governance and rights

31. UNDP will aim here at supporting the new Government's (and Kenya's) energies devoted to upholding the rule of law, whether in the making of laws (or accompanying policy and regulations), or improvement of the capacity to apply the law.

32. In parliament, for instance, UNDP will train parliamentarians, staff and committee members in procedures - and parliamentary researchers in research and analysis. UNDP will assist to draft or amend key laws, in line with the new constitution, and to revise rules and procedures for parliamentary committees, to enhance their speed and efficiency.

33. To improve accountability in the civil service, UNDP will support development and adoption of a mechanism to ensure compliance with the national integrity system (anti-corruption). Wealth and its origins will be declared by public officials. UNDP will also strengthen capacity for the Government's ethics unit and for loan implementation, boost an awareness campaign on good governance milestones, aid formulation of a decentralization policy, and of local governance reforms.

34. The new constitution will require further judicial and legal reforms, for instance on gender equality. UNDP will provide technical assistance to the Attorney General with the drafting of new laws, and assist to build systems to communicate the content of new laws to the public. Community policing initiatives will be supported, a gender commission trained, and a strategy for a gender sensitive budget outlined and disseminated.

35. Official information was often dismissed in the past, both at home and abroad, as unreliable propaganda. Packaging honest information better will help to re-build Kenya's image and to clear its communication lines. UNDP will support this development of credible public information, and the

communication of successful policies in plain language.

UNDAF area of cooperation 2: Contribute to the reduction of the incidence of, and mitigation of, the psychosocial and economic impact of the HIV/AIDS epidemic, malaria and tuberculosis

36. UNDP will support leadership in the effort to reverse the spread of HIV/AIDS, beginning with parliamentarians and other elected officials in their constituencies.

37. More active parliamentarians will be supported to play a leadership role in promoting decentralised community coordination, leadership and resource mobilisation to fight HIV/AIDS, together with the multiplicity of actors within each individual constituency.

UNDAF area of cooperation 3: Contribute to the strengthening of national and local systems for emergency preparedness, prevention, response and mitigation

38. UNDP efforts in the prevention and mitigation of crises will combine such efforts as conflict prevention, small arms reduction, and disaster risk reduction at the community level, where their combined impact can be greater, particularly for local populations surrounding sensitive areas, including refugee camps. Networking and training will be supported nationally, as will definition of a disaster management policy.

UNDAF area of cooperation 4: Contribute to sustainable livelihoods and environment

39. *Expanded opportunities*: Under the new Government, enhanced public/private partnerships to increase exports will be key in improving national economic policy and for ultimately boosting the country's economy. UNDP will assist Kenyans to eliminate barriers to - and create opportunities for - increased marketing and exports. To this end, UNDP will help to establish the new National Economic and Social Council. A panel linked to the Council will help ensure that its work to expand opportunities is guided by the private sector, together with Government and civil society representatives.

40. Interventions will be selected which support national priorities and meet all of the following criteria: expand livelihoods for the poor in the field of trade in agriculture, fill gaps in the 'transaction chain' between small producers and the export market, be most cost-effective, bear measurable results quickly, and be national and large-scale. Special attention will be paid to the use of Information Technology to benefit small producers.

41. Examples of chosen interventions will include support to the removal of legal and regulatory constraints; the meeting of the standards of international markets; effective national representation in the negotiation of market access (with private sector input); the application of new information technology to expand access to micro-finance; and promotion of specific south/south trade links.

42. *Sustainable development*: Kenya's new Government is also bringing opportunities for enforcement or improvement of existing laws and regulations that have an impact on the environment, energy and the sustainability of development, in particular with respect to charcoal and wind energy.

43. UNDP will offer technical assistance to improve environmental policy, and to develop principles, tools and practices under the National Environment Management Act. These will include standards, state of environment reports, environmental accounting and incentives, and a new national environment fund.

44. The enforcement opportunity in Kenya is key at the community level, where the poor's access to natural resources and capacity to use them, including through title of ownership, will be addressed. UNDP services can help to strengthen resource rights and ownership for both women and men. Local governance and participatory planning for natural resource use will be promoted, with special support for anti-corruption efforts. Corporate involvement in strategic partnerships will be sought.

UNDP cooperation strategies

45. Given UNDP emphases on policy development, legal and institutional reforms, capacity building and community empowerment, partnership is the key. Beyond Government entities - centres, special units, Parliament - UNDP will introduce a major new partnership approach with the private sector. A number of key non-governmental organisations will also become major implementers for UNDP, with bilateral organisations as partners.

46. Rather than traditional reinforcement of civil society organisations (such as through training) capacity-building will be based more on sub-contracting, rewarding competency and turning to the United Nations system and/or the private sector wherever they have a competitive advantage.

47. Within the United Nations system there is ever-growing cooperation, based on the UNDAF, harmonization and simplification of procedures, execution arrangements, and joint and coordinated efforts.

V. Programme management, monitoring and evaluation

A. Execution and implementation

48. Slowness and lack of intensive monitoring and feedback have been soft spots of NEX in Kenya and will be vigorously corrected.

49. The Government will retain conceptual leadership in the new UNDP programme. Kenya is a pilot country under the global United Nations harmonization and simplification process. In a new approach, much of the work will be subcontracted out directly by UNDP Kenya to partners in civil society, the private sector or the United Nations system. This will leave project units free to concentrate on good planning, partnership and implementation.

B. Monitoring

50. The country programme will be subject to annual joint Government/UNDP reviews of the programme's overall relevance to the country situation. These evaluations will track progress on achieving outcomes, thus impact. The country office's new structure, corresponding to the CCA and UNDAF, will streamline and facilitate monitoring responsibilities. The combination of these two more measured processes will improve Government capacity to track UNDP impact.

C. Resource mobilization

51. UNDP Kenya's resource management will take account of a previous stalemate in external resource flows, due - *inter alia* - to perceived governance problems. The strategy is to encourage the re-building of donor partnerships with Kenya. The country's multi-party democracy has provided a new government that is attacking key problems with laudable new energy. UNDP therefore expects to be able to achieve support for its programmes in a sequence matching improvement in overall donor interest.

52. Certain projects will be easier to co-fund, especially community-level work or combating disasters. Improvement in donor confidence should also lead to renewed interest in sharing the costs of key governance reforms. UNDP will strongly support the catalytic role that donors can play in rallying support for such changes. If and as such reforms progress, it will become easier to attract interest in other, less reform-oriented upstream work.

Annex. Results and resources framework for Kenya (2004-2008)

UNDAF area of cooperation 1: Promote good governance and rights

Strategic areas of support	*Intended outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic area of support/outcome or programme area (in thousands of US dollars)*
Efficiency and accountability in the civil service	Confidence in public financial management improved. Improved efficiency and equity in the delivery of public services	Increased percentage of public official corruption cases settled Increased percentage of public resources under local control	Integrity system compliance mechanism adopted. Capacity of Government's ethics unit strengthened. Strategy to support budget process articulated, adopted. Capacity for loan implementation strengthened. Good governance monitoring, evaluation, and awareness campaign launched. Devolution/decentralization policy formulated. Local Government reforms adopted.	*Regular resources:* 1 300 *Other resources:* Other cost-sharing: 1 300
Promotion of human rights	Kenya's rules and laws applied more impartially. Increased, more equitable access to justice	Numbers of amendments of major laws and regulations, and reforms adopted Numbers of court cases heard Number of cases brought to Ombudsman Crime rate drops	New regulations drafted for five new or revised laws. Laws and public awareness materials disseminated. Community policing initiatives supported in 3 areas. Gender commission trained and strategy for gender sensitive budget outlined and disseminated. Human rights commission launches monitoring. District legal services and awareness improved. National human rights standards adopted.	*Regular resources:* 1 162 *Other resources:* Other cost-sharing: 1 162

Institutional capacity of parliamentary structures, systems and processes	New constitution translated into legal and institutional reforms Increased effectiveness of parliament to perform its legislative and oversight functions Backlog of pending bills on reforms cleared	Numbers of laws amended or enacted to support constitutional revisions Reduced average time for passage of laws Increased numbers and speed of committee proposals	Human rights associations' capacity strengthened Five laws drafted or amended in line with new constitution. Parliamentary capacity building plan drafted. Training programmes supported for key administrative and technical staff, parliamentarians and researchers. Rules and procedures of parliamentary committees revised to enhance speed. Information materials published for dissemination	*Regular resources:* 1 300 *Other resources:* Other cost-sharing: 1 300
UNDAF area of cooperation 2: Contribute to the reduction of the incidence of, and mitigation of, the psycho-social and economic impact of the HIV/AIDS epidemic, malaria and tuberculosis				
Comprehensive strategies to prevent spread and mitigate impact of HIV/AIDS	More community ownership and participation in the planning and implementation of activities to combat the disease Spread of the disease slows	Number of projects, nationally, which are financed directly at the community level Decreased estimated absolute infection rate for under 30 group	At least 60 per cent of parliamentarians and the various levels of local government officials within their constituencies are trained on HIV/AIDS and leadership for results. Parliamentarians lead the raising of matching funds for UNDP micro-interventions in at least 25% of constituencies. United Nations inter-agency collaboration efforts on data/research/information sharing, and people living with AIDS, supported.	*Regular resources:* 1 000 *Other resources:* Other cost-sharing: 1 000
UNDAF area of cooperation 3: Contribute to the strengthening of national and local systems for emergency preparedness, prevention, response and mitigation				
Capacity development of national institutions to enhance human security	National and community disaster risk management more effective	Increased percentage risks reacted to, before disasters occur	New National Focal Point on small arms and peace building supported to implement	*Regular resources:* 2 600 *Other resources:*

	Violence in rural communities decreases	Reduced number killed in civilian violence	interventions. Conflict prevention techniques promoted, together with NGO partners, in 20 most-affected communities. Illegal arms reduced and discouraged in at least 20 most-affected community areas. At least 20 communities engaged on disaster risks and their reduction. National level comprehensive policy and approach supported for reducing disaster risks, improving security and preventing conflict. Negative impact of three large humanitarian camps or operations on their surrounding communities mitigated	Other cost-sharing: 2 600
UNDAF area of cooperation 4: Contribute to sustainable livelihoods and environment				
Policy, legal and regulatory reform to support private sector development	Improved access by smaller rural producers to markets in general. Improved access by the domestic private sector to international markets	Sector-specific statistics show increased sales by smaller rural producers, including in international markets. Increased exports (in value) in identified sub-sectors that allow for greater participation by smaller, rural producers.	National Economic and Social Council (private/public partnership) supported to start up, operate and implement interventions. Public/private partnership on increased marketing & exports intensified in 3 sub-sectors. At least two legal or regulatory constraints to exports removed. Increased share of smaller producers' products in at least	*Regular resources:* 3 700 *Other resources:* Cost-sharing: 4 338

			two sub-sectors meet international standards. Internet-based micro-finance with commercial bank capital started up and reaches rural producers in at least two exporting sub-sectors. Interests of rural producers more effectively represented in negotiating market access in at least two exporting sub-sectors (with private sector input)	
Institutional framework for sustainable environmental management and energy development	Institutions, principles, tools and practices developed and applied to implement the new Environmental Management Coordination Act Poor's access to and capacity to use natural resources and energy increased	Environmental incentives, environmental accounting and impact assessment introduced National Environmental. Management Authority and National Environmental Council function. Forest Policy and Bill, and Desertification National Action Plan applied. National frameworks on resource rights and ownership developed. Numbers of small land holder titles issued increases.	Support preparation of at least six environment: impact assessment guidelines, standards, accounting incentives, reports and funds. Work with UNDP Drylands Development Centre in mainstreaming development of Drylands macro policy framework including finalising local environmental governance framework drafted, and ten District Environmental Committees assisted to make bylaws. Results of farmer field schools (reaching 30 000 farmers) used in assisting update of national extension policy. Increased support for small-scale farmers' land entitlement, and for implementation of the UN Convention to Combat Desertification. Support preparation of charcoal	*Regular resources:* 2 300 *Other resources:* F/TF (Global Environment Facility): 3 000 F/TF (Consolidated Appeal Process): 400 F/TF (Montreal Protocol): 1 600 Other cost-sharing: 1 000

	policy; 10 000 ha of illegal tree cutting replaced with commercial forest and alternative energy sources identified. Cleaner Production Centre given technical support and funding to be self sustaining and to assist the industry produce more cleanly.	
	Totals	Regular resources: 13 362 Other resources : 17 700